



Interim Executive Solutions

GETTING YOU TO WHAT'S NEXT

Success Planning Through Succession Planning

Tell us about you

In the chat:

- Your name
- The organization you represent
- Your role
- Why you chose to sign up for this workshop

Issues to be addressed

- ❑ Making succession planning a practice throughout the organization
- ❑ Inventorying top job requirements and current skills
- ❑ Hiring, cross training and professional growth plans
- ❑ Responding to short-term emergencies
- ❑ Implementing planned transitions
- ❑ Assessing internal vs external options

About Interim Executive Solutions

- ❑ In operation for six years

- ❑ Business and nonprofit professionals dedicated to strengthening the nonprofit sector during leadership and business transitions
 - Board Consulting (resilience, succession, governance, strategic vision)
 - Interim leadership (executive, financial, development)
 - Mentoring (capacity building with board and staff)

- ❑ Our team includes several associates
 - Wide range of experiences and knowledge
 - Collaborate to address specific client needs

Leadership continuity and succession landscape

- ❑ 67% of nonprofit execs anticipate a move within 5 years
 - 27% have been in their position 10+ years
 - 31% have been in their position <3 years
- ❑ 80,000 new senior level leaders will be needed each year
- ❑ 17-22% of senior positions have executive succession plans
- ❑ Employee satisfaction in the nonprofit sector is the third LOWEST

Leading with Intent, 2017 National Index of Nonprofit Board Practices, BoardSource
CompassPoint, Concord Leadership, McKenzie and Company, Bridgespan, Quantum

Succession planning questions

- What is succession planning?
- Why is succession planning important?
- Where in the organization is succession planning needed?
- When should organizations plan for succession?
- Who is responsible for succession planning?
- How to get started?

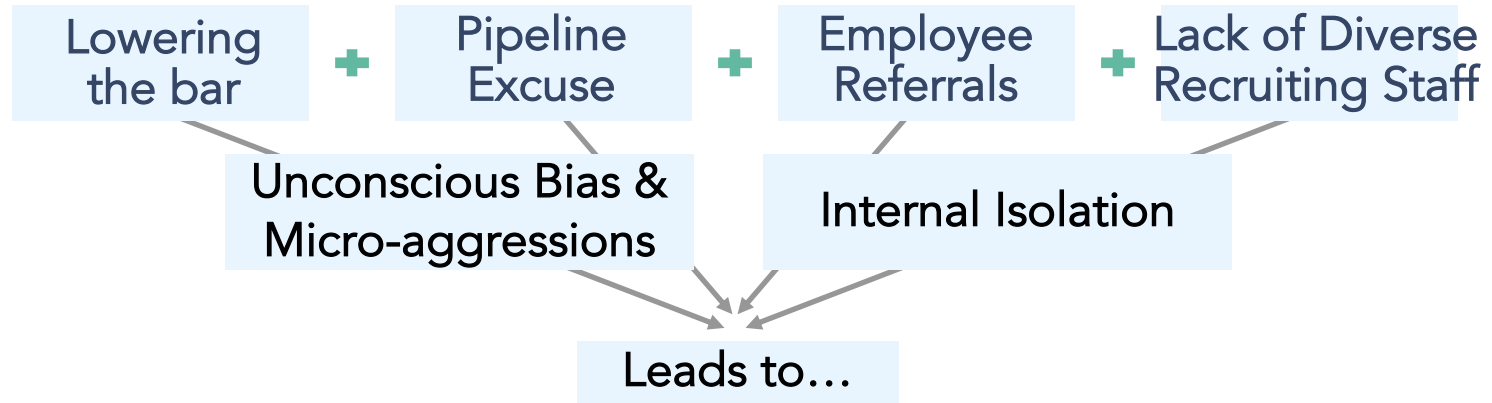
What is succession planning?

- ❑ Preparing for planned and unplanned changes
 - Short-term vacancies and absences, illness, death
 - Inevitable organizational turnover
 - Planned and unplanned leadership departures and hires

- ❑ Key issues
 - Knowing what people do
 - Knowing what you want people to do
 - Knowing what people are capable of doing
 - Prioritizing IDEA: Inclusion, Diversity, Equity and Access
 - Exploring what people might be able to, and willing to do
 - Professional development needs

Succession Planning is Capacity Building

Barriers to diversity



Miniscule Progress Towards Inclusion

Backlash against those who promote diversity in their hiring

<https://www.scientificamerican.com/article/another-reason-top-managers-are-disproportionally-white-men/>

The Leadership Continuity Plan:

Attracting, Retaining, Advancing Talent



THE SUCCESSION PLAN:

Speaks Volumes About How You Value People as a Resource to be Developed

Operational Continuity

Why operational continuity matters

- ❑ Absences, vacancies and turnover cause STRESS
- ❑ Knowing who can fill in for what role provides STRESS RELIEF
- ❑ Identifying organizational needs and potential gaps in coverage is essential to inform recruitment, training and budgeting
- ❑ Succession planning provides opportunities for personal growth

Example of an operational continuity plan

- ❑ If _____ position is open short term, _____ will cover
 - Backfill contingencies: staffing agency, volunteer base, cross-trained resources
 - Policies to consult: leave of absence, vacation, termination, benefits ...
 - Communication protocols: to clients, staff, board, funders ...

- ❑ If _____ position is open long term, _____ will cover
 - Short term backfill contingencies
 - Communication protocols
 - Needs assessment: maintain roles or adapt, growth opportunities for staff
 - Recruiting process for permanent hire

Key steps for operational excellence

- ❑ Clear BOD policies and commitment: Support / celebrate impact
- ❑ Fostering a culture of teamwork: HR policies and practices
- ❑ Scenario planning: Identify vulnerabilities
- ❑ Identifying resources: Build a skills inventory
- ❑ Communicating your plans: Transparency
- ❑ Developing individual growth plans: Cross-training
- ❑ Providing frequent, objective, actionable feedback

Vital organizational inventory

- Governance documents
- Financial Information (banking, auditors ...)
- Resources (HR, legal, marketing ...)
- PR (who speaks on what for the organization)
- Facilities management
- Contract commitments
- Insurance
- Fundraising info (key sources, contacts, reporting requirements)
- Inventory and other assets
- Technology support

[Vital Inventory worksheet](#)



Fostering Inclusion, Diversity, Equity, Access (IDEA)

- ❑ Prioritizing professional development
- ❑ Providing leadership opportunities
- ❑ Constituting diverse hiring teams
- ❑ Implementing anti-bias training
- ❑ Establishing allies and allyship / mentoring

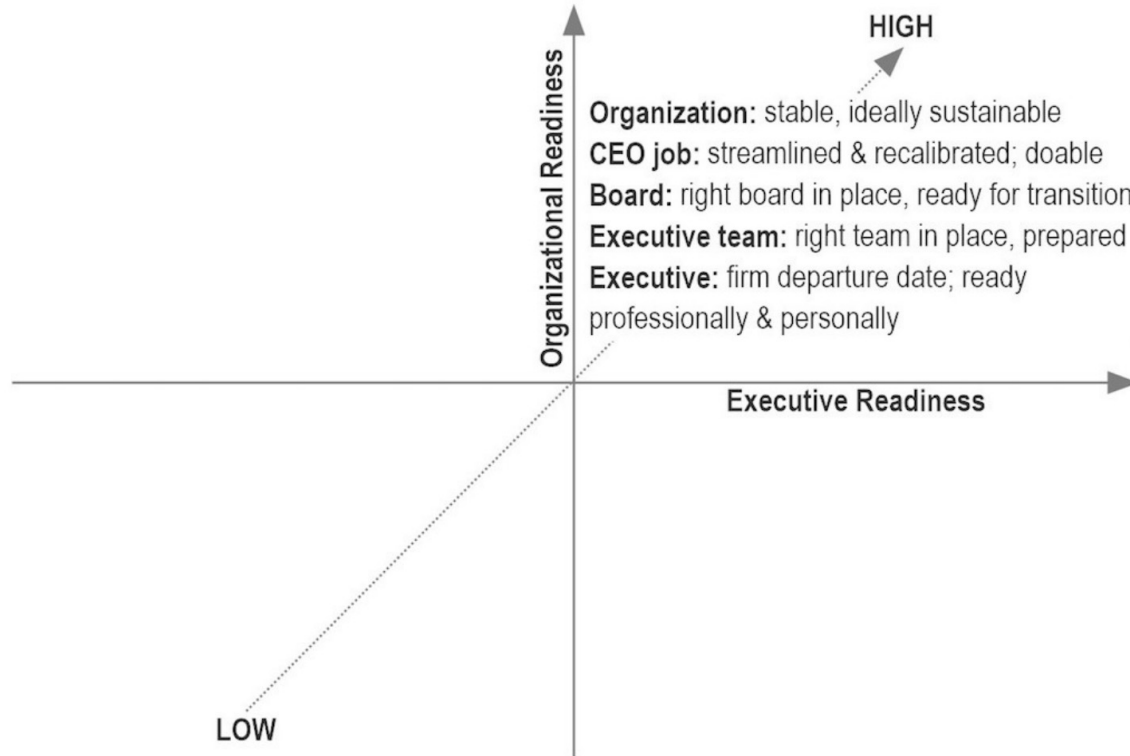
Discussion

- ❑ The CFO asks the CEO *“What happens if we invest in developing our people and they leave us?”*
- ❑ The CEO says *“What happens if we don’t and they stay?”*
-Moms Facebook
- ❑ How do your Board and your practices and policies foster a positive, growth-oriented culture, and how do you value and celebrate IDEA within the organization?

Leadership Succession

Succession Readiness Grid

Figure 1 – The Readiness Grid



Key considerations

- ❑ Assessment of current operations
 - Is the organization sustainable as currently operating?
 - What is working well and what could / should be improved?

- ❑ Vision for the organization
 - Does the Board have a clear vision for the future?
 - How aligned is that vision with the current programs?

- ❑ Leadership potential within the organization
 - How deep are the resources?
 - What is the potential for growth?

Assessment of current operations

❑ Sustainability

- Is the current business model working?
 - Funding sources
 - Expense management
 - Target impact
- Is the culture and climate conducive to success?
 - Transparency
 - Shared leadership
 - Ownership and accountability
 - Fiscal responsibility
 - Commitment to quality, service and impact

❑ What is working well and what could / should be improved?

- When was the last organizational assessment?

Vision for the organization

- ❑ Is there a strategic plan?
 - Is it being followed?
 - Have conditions changed?

- ❑ Has the Board's vision for the organization changed?
 - Have new perspectives and new opportunities been considered?
 - How does the organization fit into the relevant nonprofit landscape?

- ❑ How aligned is that vision to the current organization?
 - Is staff leadership on board?
 - Are the skills needed to achieve the vision present in the organization?

Board-driven core values, policies and practices

- ❑ What are our stated core values and what is our vision?
 - How are they monitored and reinforced?

- ❑ What characteristics, beyond the resume, support our mission and culture?
 - How is feedback collected, shared and acted upon?

- ❑ How do we promote inclusion, diversity, equity and access?
 - How do we measure our progress

- ❑ What are our policies regarding ethics?
 - What are the consequences (learning vs punitive)?

Internal leadership potential

- ❑ How deep is the bench?
 - Are there individuals capable of, and eager to lead?
 - Are they being given opportunities to demonstrate their capability?
 - How are they viewed by their peers and supervisors?

- ❑ What skills would need to be replaced?
 - What are the unique skills provided by the current leader?
 - Are there skills that are currently missing from the organization?

- ❑ How might professional development improve bench strength?
 - What skills are needed?
 - What resources are available to provide training or mentorship?

Transition considerations (1)

- Promoting immediately from within is preferable when:
 - The vision / strategy of the organization is well established
 - The current business model is sustainable
 - The culture supports individual growth
 - The candidates have had the opportunity to demonstrate their abilities
 - If multiple candidates are considered, those not getting the job are likely to leave

OR

- The Board recognizes the need for change
- A candidate has had the opportunity to demonstrate their abilities
- Key staff have been consulted and have bought in

Transition considerations (2)

- Hiring from outside with no transition is preferable when:
 - The future vision / strategy of the organization is well established
 - The current leader provides sufficient notice and fully supports the effort
 - The skills needed in the new leader are clearly communicated internally and externally
 - Internal candidates are considered when appropriate and understand why if they were not chosen
 - The culture of the organization is open to change and adaptation

OR

- The Board considers the organization to be broken
- A significant amount of turnover would be welcomed
- The candidate has the fortitude to rebuild an organization

Transition considerations (3)

- ❑ Placing an Interim leader is preferable under any of these conditions
 - The vision for the organization is unclear or needs to change
 - The organization needs the time to establish the qualifications needed in the next leader
 - The current leader has a long tenure (15+ years or the founder)
 - New leaders tend to live in the shadows of long-time leaders
 - There staff is disgruntled
 - The fallout from fixing an organization usually shortens the tenure of the next leader
 - External stakeholders demand change
 - No internal candidates OR multiple internal candidates are qualified

- ❑ Promoting an internal candidate on an Interim basis changes relationships with peers and typically requires back-filling their role
 - If not chosen for the permanent role, they often leave

Board Leadership Succession

Why is board continuity important?

- ❑ Board leadership is demanding
- ❑ Boards need fresh ideas and energy
- ❑ Staff leadership benefits from new perspectives and questions

When to plan for leadership succession?

- ❑ Governance documents (by-laws) should specify terms
 - Officers
 - Board members

- ❑ Roles should be renewed at Annual Meetings

- ❑ Governance committee should review by-laws annually
 - Board surveys every 2 years can surface issues to be prioritized

Key considerations

- ❑ Board development needs to be an ongoing priority
 - Pay attention to DIVERSITY – it should start at the top
 - Ensure representation of key stakeholder groups

- ❑ Board meetings need to engage all board members
 - Demonstrate value of each member

- ❑ Committee work can provide opportunities for leadership
 - Stepping stone for additional leadership roles

Is your organization ready?

- ❑ <https://interim-exec.org/succession-readiness-quiz/>

How to get started?

❑ Communicate

- Why is this important?
- What is your process?

❑ Prioritize

- What does your organization need?
- What are you going to do?

❑ Execute

- Plan the work
- Work the plan

Final thoughts

- ❑ Regular reviews are critical
 - ED
 - Staff
 - Board

- ❑ Know what people are thinking

- ❑ Identify and fill skills gaps

- ❑ Institute policies and procedures that promote growth and development

Questions and Comments

www.interim-exec.org